

SENATE BILL No. 127

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-7.

Synopsis: Cigarette tax revenue distribution. Provides that five cents of the tax on each pack of cigarettes sold is to be distributed to Indiana cities and towns based on population. Redistributes the remaining cigarette and other tobacco product taxes.

Effective: July 1, 2003.

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January 7, 2003, read first time and referred to Committee on Finance.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 127

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-7-1-2.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 2.5. As used in this chapter, "cigarette revenue"**
4 **means the amount of revenue generated by the tax imposed under**
5 **section 12(a) of this chapter.**

6 SECTION 2. IC 6-7-1-28.1, AS AMENDED BY P.L.192-2002(SS),
7 SECTION 137, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2003]: Sec. 28.1. (a) **An amount equal to nine**
9 **and one hundredths percent (9.01%) of all cigarette revenue shall**
10 **be deposited in the county cigarette revenue account established by**
11 **section 33.3 of this chapter.**

12 (b) **After the amount described in subsection (a) is deposited in**
13 **the county cigarette revenue account, the remaining taxes,**
14 **registration fees, fines, or penalties collected under this chapter shall**
15 **be deposited in the following manner:**

16 (1) **Six and six-tenths percent (6.6%) Seven and twenty-five**
17 **hundredths percent (7.25%) of the money shall be deposited in**



a fund to be known as the cigarette tax fund.

(2) ~~Ninety-four hundredths percent (0.94%)~~ **One and three hundredths percent (1.03%)** of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) ~~Eighty-three and ninety-seven hundredths percent (83.97%)~~ **Eighty-two and thirty-nine hundredths percent (82.39%)** of the money shall be deposited in the state general fund.

(4) ~~Eight and forty-nine hundredths percent (8.49%)~~ **Nine and thirty-three hundredths percent (9.33%)** of the money shall be deposited into the pension relief fund established in IC 5-10.3-11.

The money in the cigarette tax fund, the mental health centers fund, or the pension relief fund at the end of a fiscal year does not revert to the state general fund. However, if in any fiscal year the ~~amount~~ **sum of the amounts** allocated to a fund under subdivision (1) and **IC 6-7-2-17(1)** or under subdivision (2) and **IC 6-7-2-17(2)** is less than the amount received in fiscal year 1977, then that fund shall be credited with the difference between the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund under subdivision (3) and **IC 6-7-2-17(3)** shall be reduced by the amount of that difference.

SECTION 3. IC 6-7-1-33.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 33.3. (a) The county cigarette revenue account is established in the state general fund for the purpose of receiving cigarette revenue under section 28.1 of this chapter. Money in the county cigarette revenue account shall be used to make distributions under subsection (b).**

(b) This subsection applies after December 31, 2003. Not later than January 15, April 15, July 15, and October 15 of each year, the treasurer of state shall distribute money in the account upon warrants issued by the auditor of state:

(1) to the fiscal officer of each city or town; and

(2) in an amount equal to the product of:

(A) the total amount in the account; multiplied by

(B) a fraction, the numerator of which is the population of the city or town, and the denominator of which is the total population of all the cities and towns in Indiana.

(c) A city or town that receives funds under this section may use the funds for any of the following purposes:

(1) Economic development in the city or town.

(2) Infrastructure in the city or town.

(3) Public safety in the city or town.



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1 SECTION 4. IC 6-7-2-17 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2003]: Sec. 17. The department shall deposit all
3 revenue collected under this chapter ~~as provided in IC 6-7-1-28.1.~~ in
4 the following manner:

5 (1) Six and six-tenths percent (6.6%) of the money shall be
6 deposited in the cigarette tax fund.

7 (2) Ninety-four hundredths percent (0.94%) of the money
8 shall be deposited in the mental health centers fund.

9 (3) Eighty-three and ninety-seven hundredths percent
10 (83.97%) of the money shall be deposited in the state general
11 fund.

12 (4) Eight and forty-nine hundredths percent (8.49%) of the
13 money shall be deposited in the pension relief fund established
14 in IC 5-10.3-11.

15 The money in the cigarette tax fund, the mental health centers
16 fund, or the pension relief fund at the end of a fiscal year does not
17 revert to the state general fund.

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